

## **DEFENSE BUSINESS PRACTICE IMPLEMENTATION BOARD**

### **Minutes of Information Gathering**

**Held on  
May 15, 2002**

Mr. Gus Pagonis, Chairman of the Board, opened the session at 8:00 a.m., in room 1E801#7, the Pentagon. The list of attendees and agenda are attached.

Highlights of the meeting follow:

- The Chairman plans two more meetings for the remainder of this calendar year – July 18 and November 21, 2002.
- Board findings/recommendations will be in the form of one page decision papers.
- Dr. Dov Zakheim reiterated the importance of rejuvenating the financial management workforce with qualified people and creating an environment that will attract young people.
- Ken Krieg, Executive Secretary of the Senior Executive Council, discussed the development of performance management metrics for the Department Defense and asked the Board members to assist in identifying the metrics appropriate for the Secretary of Defense to use in managing the Department. The members are to provide him with comments by May 31, 2002.
- The Honorable David Walker, Comptroller General of the United States, explained the A-76 process and the Commercial Activities Panel recommendations for improving governmental policies and procedures that govern sourcing decisions.
- The Board's four work groups spent most of the day preparing to address specific issues.
  - The Management Information Group concentrated on performance metrics. The group recommends including "best value for the taxpayer" -- a variant of the shareholder value concept -- to incorporate cost measurements into the metrics.
  - The Human Resources Group focused on attracting and retaining high quality professional and managerial talent. The team also considered recruiting and retaining enlisted personnel, and addressed ways to enhance the attractiveness of a site or community by improving local school systems. An outline of the tasks to be pursued will be available at the July Board meeting.

- The Change Management Group addressed a plan to incorporate cultural changes in the Department, including mentoring programs and incentives. Ken Krieg will arrange for the Group to receive a briefing from the Change Management Office, OUSD(AT&L).
- The Supply Chain Group discussed the logistics environment with the Under Secretary of Defense for Acquisition, Technology & Logistics and the Deputy Under Secretary of Defense for Logistics Materiel Readiness. The emphasis is on vendor and transporter compliance contracts.
- Based upon Dr. Zakheim's request, copies of all the financial management policy memoranda he has signed were provided to the members.

The meeting adjourned at approximately 3:00 p.m.

#### Attachments

Agenda

List of Attendees

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INFORMATION GATHERING  
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**Attendance**

Key Government Officials

Dov S. Zakheim, Under Secretary of Defense (Comptroller) (USD(C))  
David Walker, Comptroller General of the United States  
Ken Krieg, Executive Secretary of the Senior Executive Council  
Tina Jonas, Deputy Under Secretary of Defense (Financial Management), OUSD(C)  
Cindy Bogner, Assistant Deputy Chief Financial Officer, OUSD(C)

Board Members

Gus Pagonis, Senior Vice President, Sears Supply Chain, Sears, Roebuck & Company  
and President, Service Logistics Services, Inc. (Chair)  
Neil Albert, Senior Vice President and Director of MCR Federal, Inc.  
Frederic Cook, Frederic Cook & Company  
Steve Friedman, Chairman, Board of Columbia University  
Bob Hale, Senior Fellow, Logistics Management Institute  
Norman Johnson, Vice President, Dean of Students, Boston University  
Phil Merrill, Chairman, Board of Capital-Gazette Communications  
Arnold Punaro, Senior Vice President and Director, Federal Business Development,  
SAIC  
Andrew Siegel, Deutsche Bank  
Mort Zuckerman, Editor-in-Chief, U.S. News & World Report